

SAMPLE ANNUAL STATEMENT

2007

Public Employee Retirement Administration

Commission Members

- The Honorable Domenic J. F. Russo
Chairman
- The Honorable A. Joseph DeNucci
Auditor of the Commonwealth
Vice Chairman
- The Honorable Deval Patrick
Governor of the Commonwealth
- The Honorable Paul V. Doane
Executive Director
Arkansas Teacher Retirement System
- Kenneth J. Donnelly
Lieutenant (Retired)
Lexington Fire Department
- James M. Machado
Sergeant
Fall River Police Department
- Donald R. Marquis
Former Town Manager, Arlington
- Joseph E. Connarton
Executive Director

Audit Unit Staff

- Harry Chadwick
Western Chief Auditor
- Bob Madison
Senior Auditor
- Richard Ackerson
Auditor
- Martin J. Feeney
Auditor
- Carol M. Niemira
Auditor
- James M. Ryan
Auditor
- James T. Sweeney
Auditor
- James F. Tivnan
Auditor

You may leave messages for any member of PERAC's Audit Staff at telephone extension 924 in our Somerville offices.



Commonwealth of Massachusetts

Public Employee Retirement Administration Commission

Five Middlesex Avenue, Suite 304, | Somerville, MA 02145

Phone 617 666 4446 Fax 617 628 4414

TTY 617 591 8917 Web www.mass.gov/perac

Instructions to Retirement Systems

(Henceforth called Systems)

- (1) **Date of Filing:** The statement is required by law to be filed on or before May 1st.
- (2) **The Name of the System** must be typed or stamped at the top of all pages and schedules (and duplicate schedules), and on all inserted schedules and loose sheets.
- (3) This statement must be typewritten.
- (4) **Blank Schedules** will not be accepted. If no entries are to be made, type "NONE" across the schedule in question.
- (5) Each category of investment must be grouped alphabetically on appropriate schedules as listed below. Group totals in each category must be shown (sub-totals should be identified as such). Investments must be listed on a trade date basis (as opposed to the cashbook, which is on a settlement date basis). Purchases made prior to January 1st, but not settled until after December 31st, should be recorded as accounts payable and, as such, should be listed as purchased and owned. Sales made prior to January 1st, but not settled until after December 31st, should be recorded as accounts receivable and, as such, should be listed as sold and no longer owned. *

Schedule 1

Cash

Schedule 2

Short Term Securities (Treasury Bills, Commercial Paper, Repurchase Agreements, CDs, Term Deposits, Money Market Accounts, Cooperative Shares, and Savings and Loan Shares).

Schedule 3

Fixed Income Securities

Schedule 4

- (a) Stocks
- (b) Options

Schedule 5

Pooled Funds, PRIT Fund, Commingled Funds, International Investments, Alternative Investments, and Real Estate Investments

Schedule 6

Recap of Schedules 1 through 5

Supplementary Schedule

We are now requesting that you provide us with a supplemental schedule for Members' Balances in the Annuity Savings Account. Previously, there was some confusion as to whether this information was required. **It is required.**

- (6) If the Annual Statement and Schedules do not contain the information asked for in the blanks, or are not prepared as requested above, they will NOT be accepted by the Commission.

Note: In accordance with the provisions of section 20(5)(h) and section 23(1)(c) and section 23(2)(e) of Chapter 32 of the General Laws, this statement must be filed in the office of the Public Employee Retirement Administration Commission no later than May 1, 2008. The due date for filing will be strictly enforced.

*It is critical that you determine the status of all pending transactions reported by your custodian on supplemental schedules provided by them. If any adjustments are required, these should be disclosed either in the details of accounts due in receivables, or payments pending in accounts payable. Otherwise, the supplemental schedules need to be notated for pending settlements. It may be necessary to revisit pending transactions from prior periods to properly reconcile these financial results.

Annual Statement for the Year Ended December 31, 2007 of the Conditions and Affairs of _____
(Name of Retirement System)

Organized Under the Laws of the Commonwealth of Massachusetts to the Public Employee Retirement Administration Commission

Date of Certificate _____ Effective Date _____

ADMINISTRATION OFFICE

Street & Number City/Town, State and Zip Code Telephone Number

We, the undersigned, members of the _____ Board of Retirement certify under the penalties of perjury, that we are the official board members of said retirement system, and that on the thirty-first day of December last, all of the herein-described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all the assets, liabilities, income and disbursements, changes in fund balances, and of the conditions and affairs of the said retirement system on the said thirty-first day of December last, and for the year ended on that date, according to the best of our information, knowledge, and belief, respectively.

BOARD OF RETIREMENT

Ex-Officio Member

Please identify the name of the Board Member who serves as Chairperson by inserting the title next to his or her name.

(Name Typed)

(Signature)

Appointed Member

Term Expires _____

(Name Typed)

(Signature)

Elected Member

Term Expires _____

(Name Typed)

(Signature)

Elected Member

Term Expires _____

(Name Typed)

(Signature)

Member Appointed by Other Members

Term Expires _____

(Name Typed)

(Signature)

INVESTMENT MANAGERS

Please compile/submit a complete list. Attach the list to this page.

(Name)

(Address)

(Name)

(Address)

(Name)

(Address)

INVESTMENT CONSULTANT

(Name)

(Address)

CUSTODIAN

(Name)

(Address)

ANNUAL STATEMENT BALANCE TESTS

1. ASSET BALANCE

Assets Previous Year	<div>1</div> From Page 2, 2006 Column Total
Income Current Year	<div>5</div> From Page 4, 2007 Column, Total
Disbursements Current Year	(<div>6</div> From Page 5, 2007 Column, Total)
Assets Current Year	<div>4</div> Must equal Page 2, 2007 Column Total

2. ASSET DIFFERENCE

Assets Current Year	<div>4</div> From Page 2, 2007 Column, Total
Assets Previous Year	(<div>1</div> From Page 2, 2006 Column, Total)
Difference	Calculated, must agree with Test #3 below and Test #4 below

3. INCOME DIFFERENCE

Income Current Year	<div>5</div> From Page 4, 2007 Column, Total
Disbursements Current Year	(<div>6</div> From Page 5, 2007 Column, Total)
Difference	Calculated, must agree with Test #2 above and Test #4 below

4. FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	<div>5</div> From Page 3, Total Receipts plus the total of credits from Interfund Transfers
Total Fund Change Debits Current Year	(<div>6</div> From Page 3, Total Disbursements plus the total of debits from Interfund Transfers)
Difference	Calculated, must agree with Test #2 above and Test #3 above

NOTE: The difference as a result of tests 2, 3, and 4 should be the same.

Annual Statement of the _____ Retirement System for the Year Ended December 31, 2007

ASSETS & LIABILITIES

			2007	2006	2005
			FROM: Schedule 1, Column E	FROM: Prior year	FROM: Prior year
1. 1040	Cash				
2. 1100	Short Term Investments		Schedule 2, Column E	Prior year	Prior year
3. 1180	Fixed Income Securities		Schedule 3A, Column E	Prior year	Prior year
4. 1170	Equities		Schedule 4A, Column F	Prior year	Prior year
5. 1101	Pooled Short Term Funds		Schedule 5, Column K	Prior year	Prior year
6. 1172	Pooled Domestic Equity Funds		Schedule 5, Column K	Prior year	Prior year
7. 1173	Pooled International Equity Funds		Schedule 5, Column K	Prior year	Prior year
8. 1174	Pooled Global Equity Funds		Schedule 5, Column K	Prior year	Prior year
9. 1181	Pooled Domestic Fixed Income Funds		Schedule 5, Column K	Prior year	Prior year
10. 1182	Pooled International Fixed Income Funds		Schedule 5, Column K	Prior year	Prior year
11. 1183	Pooled Global Fixed Income Funds		Schedule 5, Column K	Prior year	Prior year
12. 1193	Pooled Alternative Investments		Schedule 5, Column K	Prior year	Prior year
13. 1194	Pooled Real Estate Funds		Schedule 5, Column K	Prior year	Prior year
14. 1195	Pooled Domestic Balanced Funds		Schedule 5, Column K	Prior year	Prior year
15. 1196	Pooled International Balanced Funds		Schedule 5, Column K	Prior year	Prior year
16. 1198	PRIT Cash		Schedule 5, Column K	Prior year	Prior year
17. 1199	PRIT Fund		Schedule 5, Column K	Prior year	Prior year
18. 1550	Interest Due and Accrued	28	Int. Due & Accrued Current Year (Page 6).	Prior year	Prior year
19. 1398	Accounts Receivable (A)	39	Schedule A	Prior year	Prior year
20. 2020	Accounts Payable (A)	40	(Schedule A) (Prior year) (Prior year)		
TOTAL		4	Must agree with Total below	1	

FUNDS

1.	3293	Annuity Savings Fund	18	Page 3	Prior year	Prior year
2.	3294	Annuity Reserve Fund	19	Page 3	Prior year	Prior year
3.	3295	Military Service Fund	20	Page 3	Prior year	Prior year
4.	3296	Pension Fund	21	Page 3	Prior year	Prior year
5.	3298	Expense Fund	22	Page 3	Prior year	Prior year
6.	3297	Pension Reserve Fund	23	Page 3	Prior year	Prior year
TOTAL ASSETS AT MARKET VALUE		4	Must agree with Total above	Prior year	Prior year	

(A) Specific details for Accounts Receivable and Accounts Payable are to be disclosed on Schedule A.

Annual Statement of the _____ Retirement System for the Year Ended December 31, 2007

	Balance Dec. 31 Prior Year	Receipts	Interfund Transfers	Disbursements	Balance Dec. 31 Current Year
Annuity Savings Fund (ASF)	From prior year	7 Page 4 ASF Total	A From below	13 Page 5 ASF Total	18 To page 2
Annuity Reserve Fund (ARF)	From prior year	8 Page 4 ARF Total	A From below	14 Page 5 ARF Total	19 To page 2
Pension Fund	From prior year	9 Page 4 PF Total	A From below	15 Page 5 PF Total	20 To page 2
Military Service Fund	From prior year	10 Page 4 MSF Total	A From below	16 Page 5 MSF Total	21 To page 2
Expense Fund	From prior year	11 Page 4 ESF Total	A From below	17 Page 5 EF Total	22 To page 2
Pension Reserve Fund	From prior year	12 Page 4 PRF Total	A From below		23 To page 2
TOTAL ALL FUNDS	From prior year	5 Page 4 Total	Total must = 0	6 Page 5 Total	4 To page 2

List below all transfers:

Transfer from ASF	Fund to the ARF	Fund in the Amount of \$	A To above	on Account of retirements
Transfer from _____	Fund to the _____	Fund in the Amount of \$	A To above	on Account of _____
Transfer from _____	Fund to the _____	Fund in the Amount of \$	A To above	on Account of _____
Transfer from _____	Fund to the _____	Fund in the Amount of \$	A To above	on Account of _____
Transfer from _____	Fund to the _____	Fund in the Amount of \$	A To above	on Account of _____
Transfer from _____	Fund to the _____	Fund in the Amount of \$	A To above	on Account of _____

Annual Statement of the _____ Retirement System for the Year Ended December 31, 2007

RECEIPTS

		2007	2006	2005
1. Annuity Savings Fund:				
(a)	4891 Members' Deductions	Must agree with Supplementary Membership Schedule		
(b)	4892 Transfers from Other Systems	Must agree with Supplementary Membership Schedule		
(c)	4893 Member Make up Payments and Redeposits	Must agree with Supplementary Membership Schedule		
(d)	4900 Member Payments from Rollovers	Must agree with Supplementary Membership Schedule		
(e)	Investment Income Credited to Members' Accounts	34	From Page 6 and must agree with Supplementary Membership Schedule	
	Subtotal	7	To Page 3	
2. Annuity Reserve Fund:				
(a)	Investment Income Credited to Annuity Reserve Fund	35	From Page 6 and from ARF Worksheet	
	Subtotal	8	To Page 3	
3. Pension Fund:				
(a)	4898 3(8)(c) Reimbursements from Other Systems			
(b)	4899 Received from Commonwealth for COLA and Survivor Benefits			
(c)	4894 Pension Fund Appropriation			
	Subtotal	9	To Page 3	
4. Military Service Fund:				
(a)	4890 Contributions Received from Municipality			
(b)	Investment Income Credited	36	To Page 6	
	Subtotal	10	To Page 3	
5. Expense Fund:				
(a)	4896 Expense Fund Appropriation			
(b)	Investment Income Credited to Expense Fund	37	From Page 6	
	Subtotal	11	To Page 3	
6. Pension Reserve Fund:				
(a)	4897 Federal Grant Reimbursement			
(b)	4895 Pension Reserve Appropriation			
(c)	4822 Interest Not Refunded			
(d)	4825 Miscellaneous Income			
(e)	Excess Investment Income	38	From Page 6	
	Subtotal	12	To Page 3	
	TOTAL RECEIPTS	5	To Page 3	

DISBURSEMENTS

		2007	2006	2005
1. Annuity Savings Fund:				
(a)	5757 Refunds to Members	Must agree with Supplementary Membership Schedule		
(b)	5756 Transfers to Other Systems	Must agree with Supplementary Membership Schedule		
	Subtotal	13	To Page 3	
2. Annuity Reserve Fund:				
(a)	5750 Annuities Paid			
(b)	5759 Option B Refunds			
	Subtotal	14	To Page 3	
3. Pension Fund:				
(a)	5751 Pensions Paid	Figures must be broken down by category		
	Regular Pension Payments			
	Survivorship Payments			
	Ordinary Disability Payments			
	Accidental Disability Payments			
	Accidental Death Payments			
	Section 101 Benefits			
(b)	5755 3(8)(c) Reimbursements To Other Systems			
(c)	5752 COLAs Paid			
(d)	5753 Chapter 389 Beneficiary Increase Paid			
	Subtotal	15	To Page 3	
4. Military Service Fund:				
(a)	4890 Return to Municipality for Members who Withdrew their Funds			
	Subtotal	16	To Page 3	
5. Expense Fund:				
(a)	5118 Board Member Stipend			
(b)	5119 Salaries			
(c)	5304 Management Fees			
(d)	5305 Custodial Fees			
(e)	5307 Investment Consultant Fees			
(f)	5308 Legal Expenses			
(g)	5309 Medical Expenses			
(h)	5310 Fiduciary Insurance			
(i)	5311 Service Contracts			
(j)	5312 Rent Expense			
(k)	5589 Administrative Expenses			
(l)	5599 Furniture and Equipment			
(m)	5719 Travel			
	Subtotal	17	To Page 3	
TOTAL DISBURSEMENTS		6	To Page 3	

Annual Statement of the _____ Retirement System for the Year Ended December 31, 2007

INVESTMENT INCOME

	2007	2006	2005
Investment Income received from:			
(a) Cash (from Schedule 1)			
(b) Short Term Investments (from Schedule 2)			
(c) Fixed Income Securities (from Schedules 3A and 3C)			
(d) Equities (from Schedules 4A and 4C)			
(e) Pooled Funds (from Schedule 5)			
(f) Commission Recapture			

4821 TOTAL INVESTMENT INCOME

Plus:

4884	Realized Gains (Profits)	<i>From Schedule 3C, Column H; From Schedule 4C, Column H; and Schedule 5, Column D (Sum of gains only)</i>	
4886	Unrealized Gains (Increase in Market Value)	<i>From Schedule 3A, Column C; From Schedule 4A, Column G; and Schedule 5, Column F (Sum of increases in market value only)</i>	
1550	Interest Due and Accrued-Current Year	28 <i>From Schedule 1, 2, and 3A, Column H</i>	33

Less:

4823	Paid Accrued Interest on Fixed Income Securities	<i>From Schedule 3B, Column F</i>	
4885	Realized Losses	<i>From Schedule 3C, Column I; From Schedule 4C, Column I; and Schedule 5, Column E (Sum of losses only)</i>	
4887	Unrealized Losses (Decrease in Market Value)	<i>From Schedule 3A, Column D; From Schedule 4A, Column H; and Schedule 5, Column G (Sum of decreases in market value only)</i>	
1550	Interest Due and Accrued-Prior Year	33 <i>From last year</i>	

NET INVESTMENT INCOME

See below

Income Required:

Annuity Savings Fund (from Supplementary Schedule)	34 <i>To Page 4, Line 1(e)</i>		
Annuity Reserve Fund	35 <i>To Page 4, Line 2(a)</i>		
Expense Fund	37 <i>To Page 4, Line 5(b)</i>		
Military Service Fund	36 <i>To Page 4, Line 4(b)</i>		

TOTAL INCOME REQUIRED

See below

Net Investment Income	<i>From above</i>		
Less Income Required	<i>From above</i>		

EXCESS INCOME TO PENSION RESERVE FUND

38 *To Page 4, Line 6(e)*

Annual Statement of the _____ Retirement System for the Year Ended December 31, 2007

MEMBERSHIP FOR CURRENT YEAR

ACTIVE MEMBERS	Group 1	Group 2 & 4	TOTAL
Active Membership, Dec. 31st, Previous Year	_____	_____	_____
Inactive Membership, Dec. 31st, Previous Year	_____	_____	_____
Enrolled During Current Year	_____	_____	_____
Transfers Between Groups	_____	_____	_____
Reinstatements of Disabled Members	_____	_____	_____
SUBTOTAL	_____	_____	_____
Deduct:			
Death	_____	_____	_____
Withdrawals	_____	_____	_____
Retirements	_____	_____	_____
SUBTOTAL	_____	_____	_____
Active Membership, Dec. 31st, Current Year	_____	_____	_____
Inactive Membership, Dec. 31st, Current Year	_____	_____	_____

RETIRED MEMBERS, BENEFICIARIES & SURVIVORS

Retired, Beneficiary, and Survivor

Membership, Dec. 31, previous year	_____	_____	_____
Retirements During the Year:			
Superannuation	_____	_____	_____
Ordinary Disability	_____	_____	_____
Accidental Disability	_____	_____	_____
Termination Retirement Allowance	_____	_____	_____
Beneficiary of Deceased Retiree	_____	_____	_____
Survivor Benefits from Active Membership	_____	_____	_____
SUBTOTAL	_____	_____	_____
Deduct:			
Deaths of Retired Members	_____	_____	_____
Terminations of Survivor Benefits	_____	_____	_____
Reinstatements of Disabled Pensions	_____	_____	_____
SUBTOTAL	_____	_____	_____
Retired Membership, Dec. 31, current year			
Superannuation	_____	_____	_____
Ordinary Disability	_____	_____	_____
Accidental Disability	_____	_____	_____
Termination	_____	_____	_____
Beneficiaries from Accidental Deaths	_____	_____	_____
Beneficiaries from Section 100	_____	_____	_____
Beneficiaries from Section 101	_____	_____	_____
Beneficiaries under Option (C)	_____	_____	_____
Option (D) Survivor Allowance	_____	_____	_____
Section 12B Survivor Allowance	_____	_____	_____

Total Retired, Beneficiary, and Survivor			
Membership, Dec. 31, Current Year	_____	_____	_____
TOTAL MEMBERSHIP:			
Active, Inactive, Retired, Beneficiary,			
and Survivor, Dec. 31, Current Year	_____	_____	_____

Schedule A: Detail of Accounts Receivable and Accounts Payable**Accounts Receivable****Amount****Original Date**

4891 Members' Deductions
 4892 Transfers From Other Systems
 4893 Member Make Up Payments and Redeposits
 4900 Member Payments from Rollovers
 4898 3(8)(c) Reimbursements from Other Systems
 4899 Received from Commonwealth for COLA and
 Survivor Benefits
 4884 Realized Gain on Sale of Investments
 4894 Pension Fund Appropriation (Current Fiscal Year)
 4894 Pension Fund Appropriation (Previous Fiscal Year)
 4890 Contributions Received
 from Municipality on Account of Military Service
 4897 Federal Grant Reimbursement
 4895 Pension Reserve Appropriation
 Investments Sold But Funds Not Received (list individually)

TOTAL RECEIVABLES**39** To Page 2, Line 19**Accounts Payable**

5757 Refunds to Members
 5756 Transfers to Other Systems
 5750 Annuities Paid
 5759 Option B Refunds
 5751 Pensions Paid
 5755 3(8)(c) Reimbursements to Other Systems
 5752 COLAs Paid
 5753 Chapter 389 Beneficiary Increase Paid
 4885 Realized Loss on Sale of Investments
 4890 Return to Municipality for Members Who
 Withdrew Their Funds
 5118 Board Members' Stipend
 5119 Salaries
 5304 Management Fees
 5305 Custodial Fees
 5307 Investment Consultant Fees
 5308 Legal Expenses
 5309 Medical Expenses
 5310 Fiduciary Insurance
 5311 Service Contracts
 5312 Rent Expense
 5589 Administrative Expenses
 5599 Furniture and Equipment
 5719 Travel
 Investments Purchased But Not Paid For (list individually)

TOTAL PAYABLES**40** To Page 2, Line 20

Schedule No. 1

Annual Statement of the _____ Retirement System for the Year Ended December 31, 2007

Cash Account Activity During Year

*Cash defined in ledger #1040 as Savings or Checking

Description:	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Type of Account, Account Number, Interest Rate (List alphabetically)	Book Value at End of Previous Year	Total Deposits this Year	Income Reinvested/ Redeposited into Account	Withdrawals during Year	=A+B+C-D Total Book Value Dec 31st This Year	Cash Income Paid to System Not Reinvested or Redeposited	Interest Due and Accrued December 31st
	From Page 2, 2006 Column		To Page 6, Line A		To Page 2, 2007 Column, Line 1	To Page 6, Line A	To Page 6, Interest Due and Accrued, Current year

Schedule No. 2

Annual Statement of the Retirement System for the Year Ended December 31, 2007

Short Term Securities* Bought and Sold or Matured During the Year as well as Still Held on December 31st

*Short Term defined in ledger #1100 as U.S. Treasury Bills, Commercial Paper, Repurchase Agreements, CDs, Term Deposits, Money Market, Cooperative Shares, Savings and Loan Shares

Description: Including CUSIP or Account No., Interest Rate, Maturity Date (List alphabetically. Rollover securities must be listed as <u>sold and then repurchased.</u>)	(A)		(B)		(C)		(D)		(E)	(F)	(G)
	Date Acquired	Par Value*	Cost Including Commissions		Amount Received at Maturity (Expiration or Upon Liquidation) Less Commissions and <u>Excluding Interest</u>		Market Value Dec. 31st Current Year		Interest Received <u>During Year</u>	Due and Accrued <u>Dec. 31st</u>	
									To Page 2, 2007 Column, Line 2	To Page 6, Line B	To Page 6, Interest Due and Accrued, Current year

*Optional Entry

Schedule No. 3A

Annual Statement of the Retirement System for the Year Ended December 31, 2007

Domestic Fixed Income Securities Owned at End of Year
(Foreign Fixed Income Securities must be listed on Schedule 5)

Description:	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Including Maturity Date and Interest Rate (List alphabetically)	CUSIP Number	Cost or Market Value at End Of Prior Year	Unrealized Gain	Unrealized Loss	Market Value	Interest Received During Year	Interest Due and Accrued Dec. 31st
	To Page 6, Line 4886		To Page 6, Line 4887	To Page 2, 2007 Column, Line 3	To Page 6, Line C	To Page 6, Interest Due and Accrued, Current year	

Schedule No. 3B

Annual Statement of the Retirement System for the Year Ended December 31, 2007

Domestic Fixed Income Securities Purchased During Year
(Foreign Fixed Income Securities must be listed on Schedule 5)

Description: Including Date of Maturity and Interest Rate (List alphabetically)	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	CUSIP Number	Par Value*	Date Acquired (Trade Date)	Name of Broker	Commissions Paid	Paid Accrued Interest	Cost Excluding Accrued Interest, but Including Commissions

To Page 6, Line 4823

*Optional Entry

Schedule No. 3C

Annual Statement of the _____ Retirement System for the Year Ended December 31, 2007

Domestic Fixed Income Securities Sold During Year

(Foreign Fixed Income Securities must be listed on Schedule 5)

Description:	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Including Date of Maturity and Interest Rate (List alphabetically)	CUSIP Number	Par Value*	Date Sold or Matured (Trade Date)	Name of Broker	Commissions	Market Value Previous Dec 31st	Amount Received on Sale Less Commissions Excluding Accrued Interest	= G - F Realized Gain	= G - F Realized Loss	Interest Received During Year Including Interest Sold
								To Page 6, Line 4884	To Page 6, Line 4885	To Page 6, Line C

*Optional Entry

Schedule No. 4A

Annual Statement of the Retirement System for the Year Ended December 31, 2007

Equities Owned at End of Year

Equities defined as stocks or options (Pooled Funds must be listed on Schedule 5)

Description:	(A) CUSIP Number	(B) Number of Shares	(C) Rate Per Share Used to Obtain Current Market Value	(D) Market Value at End of Previous Year	(E) Net Purchases and (Sales) at Book Value Current Year	(F) Market Value at End of Current Year	(G) = F - D - E Unrealized Gain	(H) = F - D - E Unrealized Loss	(I) Dividends Received During Year
Give Complete Description (List alphabetically)				From Page 2, 2006 Column Line 4		To Page 2, 2007 Column, Line 4	To Page 6, Line 4886	To Page 6, Line 4887	To Page 6, Line D

Schedule No. 4B

Annual Statement of the Retirement System for the Year Ended December 31, 2007

Equities Purchased During Year

Equities defined as stocks or options (Pooled Funds must be listed on Schedule 5)

Description: Give Complete Description (List alphabetically)	(A) CUSIP Number	(B) Number of Shares	(C) Date Acquired (Trade Date)	(D) Name of Broker	(E) Commissions and Fees Paid	(F) Cost to System Including Commissions and Fees
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Schedule No. 4C

Annual Statement of the _____ Retirement System for the Year Ended December 31, 2007

Equities Sold During Year

Equities defined as stocks or options (Pooled Funds must be listed on Schedule 5)

Description:	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Give Complete Description (List alphabetically)	CUSIP Number	Number of Shares	Name of Broker	Date Sold	Commissions Paid	Proceeds from Sale	Market Value at Prior Year-end or Cost if Purchased in Current Year	= F - G Realized Gain	= F - G Realized Loss	Dividends Received During Year
								To Page 6, Line 4884	To Page 6, Line 4885	To Page 6, Line D

Schedule No. 5

Annual Statement of the Retirement System for the Year Ended December 31, 2007

Schedule of Pooled Funds
This schedule is to be used for the PRIT Fund and Pooled Funds (e.g., Venture Capital, Real Estate, Mutual Funds, Commingled Funds).

Description:	(A) Market Value at End of Previous Year	(B) Total Purchases This Year at Cost	(C) Reinvested Investment Income	(D) Realized Gain*	(E) Realized Loss*	(F) Unrealized Gain*	(G) Unrealized Loss*	(H) Total Sales/ Redemptions this Year - Amount Received	(I) Cash Dividends/ Distributions to System this Year	(J) Fees Paid	(K) =A+B+C+D-E+F-G-H-I-J Market Value at End of Year**
--------------	---	---	---	--------------------------	--------------------------	----------------------------	----------------------------	---	--	---------------------	---

To Page 2, 2007 Column,
Lines 5 through 17

List all pooled funds by ledger number. Subtotal each
ledger number total. For example:

1182	Scottish Equitable Fund										
1182	Putnam Int'l Fixed Income Tr										
1182	SUBTOTAL Pooled International Fixed Income Funds										
1183	MFS Bond Fund A										
1183	Brandywine Global Fixed Income										
1183	Pooled Global Fixed Income Funds										
	TOTAL ALL POOLED FUNDS										

* If available.
** If using most recent period prior to year-end, please list date.

Schedule No. 6

Annual Statement of the _____ Retirement System for the Year Ended December 31, 2007

Summary of Investments Owned

Category of Investment	Current Market Value	Interest Due and Accrued as of Dec. 31, 2007	Paid Accrued Interest on Purchases in Current Year	Commissions Paid During Current Year	Investment Income Received During Year			
					Unrealized Gains	Unrealized Losses	Realized Gains	Realized Losses
1. 1040 Cash	Sch 1, Col E	Sch 1, Col G						Sch 1, Col F
2. 1100 Short Term Securities	Sch 2, Col E	Sch 2, Col G						Sch 2, Col F
3. 1180 Fixed Income Securities	Sch 3A, Col E	Sch 3A, Col G	Sch 3B, Col F	Sch 3B, Col E	Sch 3A, Col C	Sch 3A, Col D	Sch 3C, Col H	Sch 3C, Col I
4. 1170 Equities	Sch 4A, Col F			Sch 4B, Col E	Sch 4A, Col G	Sch 4A, Col H	Sch 4C, Col H	Sch 4A, Col I and Sch 4C, Col J
5a. 1101 Pooled Short Term Funds	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5b. 1172 Pooled Domestic Equity Funds	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5c. 1173 Pooled International Equity Funds	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5d. 1174 Pooled Global Equity Funds	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5e. 1181 Pooled Domestic Fixed Income Funds	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5f. 1182 Pooled International Fixed Income Funds	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5g. 1183 Pooled Global Fixed Income Funds	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5h. 1193 Pooled Alternative Investments/Private Equity	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5i. 1194 Pooled Real Estate Funds	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5j. 1195 Pooled Domestic Balanced Funds	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5k. 1196 Pooled International Balanced Funds	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5l. 1198 PRIT Cash	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C
5m. 1199 PRIT Fund	Sch 5, Col K				Sch 5, Col F	Sch 5, Col G	Sch 5, Col D	Sch 5, Col C

TOTAL

Supplementary Schedule

Annual Statement of the _____ Retirement System for the Year Ended December 31, 2007

Members' Balances in the Annuity Savings Account

<u>Member's Name</u>	<u>Previous Balance</u>	<u>Total Additions Current Year</u>	<u>Total Interest Current Year</u>	<u>Reductions</u>	<u>Transfer to Annuity Reserves</u>	<u>Transfer to Pension Fund</u>	<u>Transfer to Pension Reserve Fund</u>	<u>Balance Current Year</u>
Must equal last year's Supplementary Schedule 12/31/06	Must equal Page 4, 1(a) + 1(b) 1(c) + 1(d)	Must equal Page 4, 1(a) + 1(b) 1(c) + 1(d)	Must equal Page 4, 1 (e) Represents PERAC rate applied to prior year balances during current year	Must equal Page 5 1(a) + 1(b) less the amount transferred to Pension Reserve Fund Represents refunds and withdrawals transferred to qualified plans	Must equal Page 3 Interfund Transfer for those who retired in the current year Represents ASF balance of members who retired during current year	Must equal Page 3 Interfund Transfer	Must equal Page 4, 6(c) plus Interfund Transfer of 10 year inactive accounts Represents the ASF balance of members funds inactive for 10 years, plus the portion of interest not refunded to members upon withdrawal based on eligible limitations	Must equal Annuity Savings Fund balance 12/31/07 on Page 2

APPENDIX PAGE 1

PLAN DESCRIPTION

The plan is a contributory defined benefit plan covering all _____ Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The pensions of such school employees are administered by the Teachers' Retirement Board.

Instituted in 19____, the System is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the plan is mandatory immediately upon the commencement of employment for all permanent, full-time employees.

The system provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service, or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions, normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement benefit and the annuity is the pension. The average retirement benefit is approximately 80 - 85% pension and 15 - 20% annuity.

Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Members joining the retirement system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. These deductions are deposited in the Annuity Savings Fund and earn interest at a rate determined by the Executive Director of PERAC according to statute. When a member's retirement becomes effective, his/her deductions and related interest are transferred to the Annuity Reserve Fund. Cost-of-living adjustments, and any other increase in benefits imposed by state law granted between 1981 and 1996, are borne by the state.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current year pension payments as determined by PERAC's Actuary. In the past, retirement systems were paying only the actual retirement benefits that were due each year. Systems had no statutory authorization to put aside any money for the future benefits of employees who are now working. Large unfunded liabilities resulted from operating upon this pay-as-you-go basis. In 1977, legislation authorized local governments to appropriate funds to meet future pension obligations.

In 1983, additional legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. These initiatives have significantly reduced the rate of growth of the retirement systems' unfunded liabilities and, in some systems, have actually reduced such liability.

Administrative expenses are funded through excess investment income.

Members who become permanently disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors including: whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veteran's status, and group classification.

Employees who resign from service and who are not eligible to receive a retirement allowance, or are under the age of 55, are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive either zero (0%) percent, fifty (50%) percent, or one hundred (100%) percent of the regular interest that has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Executive Director of Public Employee Retirement Administration Commission. All investments are stated at market value at the end of the year.

The Annuity Savings Fund is the fund in which members' contributions are deposited. Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Voluntary contributions, redeposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, a members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income or appropriated by the governmental units for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment, or on the unrealized gain of a market valued investment as of the valuation date, is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund, is credited to this Reserve account.

The Investment Income Account is credited all income derived from invested funds. At the end of the year, the income credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund, is distributed from this account, and the remaining balance is transferred to the Pension Reserve Fund.

APPENDIX PAGE 3

ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by _____ as of January 1, 20__.

The Normal Cost for Employees on that date was \$ _____ % of Payroll

The Normal Cost for the Employer was \$ _____ % of Payroll

The Actuarial Liability for Active Members was \$ _____

The Actuarial Liability for Retired Members was \$ _____

Total Actuarial Accrued Liability \$ _____

System Assets as of that Date \$ _____

Unfunded Actuarial Accrued Liability \$ _____

The principal actuarial assumptions used in the valuation are as follows:

Investment Return: _____% per annum

Rate of Salary Increase: _____% per annum

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial</u> <u>Valuation Date</u>	<u>Actuarial Value</u> <u>of Assets (a)</u>	<u>Actuarial Accrued</u> <u>Liability (AAL)* (b)</u>	<u>Unfunded AAL</u> <u>(UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered</u> <u>Payroll ((b - a)/c)</u>
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Attach Copy of Current Approved Funding Schedule